
First Quarter Financial Statement For the Period Ended 30 June 2013

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group income statement for the first quarter ("Q1") ended 30 June 2013. These figures have not been audited.

	Q1 ended 30 June 2013 S\$'000	Q1 ended 30 June 2012 S\$'000 Restated	Change %
Revenue	163,936	185,360	(11.6)
Cost of sales	<u>(125,462)</u>	<u>(144,783)</u>	(13.3)
Gross profit	38,474	40,577	(5.2)
Other operating income & expenses	712	4,041	(82.4)
Distribution expenses	(10,922)	(12,373)	(11.7)
Administrative expenses	(20,282)	(20,515)	(1.1)
Finance costs	<u>(1,792)</u>	<u>(2,466)</u>	(27.3)
Profit before share of results of associates	6,190	9,264	(33.2)
Share of results of associates	<u>(1,646)</u>	<u>(2,573)</u>	(36.0)
Profit before income tax	4,544	6,691	(32.1)
Income tax	<u>(2,646)</u>	<u>(2,915)</u>	(9.2)
Profit after income tax	<u>1,898</u>	<u>3,776</u>	(49.7)
Attributable to:			
Equity holders of the Company	107	2,120	(95.0)
Non-controlling interests	<u>1,791</u>	<u>1,656</u>	8.2
	<u>1,898</u>	<u>3,776</u>	(49.7)
Gross profit margin	<u>23.5%</u>	<u>21.9%</u>	

Comparative figures have been restated to conform with current period's presentation

Statement of Comprehensive Income

The Group	Q1 ended 30 June 2013 S\$'000	Q1 ended 30 June 2012 S\$'000
Profit for the period	1,898	3,776
Other comprehensive income (loss):		
Translation differences arising from consolidation of foreign operations	8,435	734
Fair value loss on available-for-sale financial assets	0	(614)
Other comprehensive income for the period	<u>8,435</u>	<u>120</u>
Total comprehensive income for the period	<u>10,333</u>	<u>3,896</u>
Attributable to:		
Equity holders of the Company	7,141	2,144
Non-controlling interests	3,192	1,752
	<u>10,333</u>	<u>3,896</u>

	Q1 ended 30 June 2013 S\$'000	Q1 ended 30 June 2012 S\$'000
Profit from operations is arrived at after crediting (charging) the following:		
Depreciation and amortisation	(6,165)	(6,451)
Included in other operating income & expenses:		
Foreign exchange gain	23	1,110
Gain on disposal of property, plant and equipment	468	2,595
Government grant	54	96
Impairment loss on property, plant and equipment	(68)	(408)
Property, plant and equipment written off	(147)	(226)
Technical, marketing development & engineering fee income	0	317
(Under) Over provision of prior year tax	(357)	(15)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group 30 June 2013	The Group 31 March 2013	The Company 30 June 2013	The Company 31 March 2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Investment property	1,150	1,123	0	0
Property, plant & equipment	230,830	228,543	1,483	1,784
Interest in subsidiaries	0	0	364,815	364,739
Interest in associates	60,834	60,410	18,592	18,482
Available-for-sales investments	3,338	3,664	0	0
Deferred tax assets	4,655	4,635	0	0
Intangible assets	0	80	0	0
Goodwill on consolidation	17,023	16,773	0	0
Deposits and prepayments	455	445	16	16
Total non-current assets	318,285	315,673	384,906	385,021
Current assets				
Stocks	110,504	100,175	0	0
Debtors	168,673	160,649	78,430	79,060
Derivative financial instruments	203	265	0	0
Tax recoverable	774	1,291	0	0
Deposits and prepayments	10,058	9,117	777	840
Bank balances and cash	66,085	64,371	2,574	1,096
Total current assets	356,297	335,868	81,781	80,996
Current liabilities				
Creditors and accrued charges	148,977	131,208	65,595	58,660
Derivative financial instruments	0	10	0	0
Obligations under finance leases	333	375	96	100
Income tax payable	3,237	3,029	284	266
Bank loans and overdrafts	160,995	158,904	83,142	81,106
Total current liabilities	313,542	293,526	149,117	140,132
Net current assets (liabilities)	42,755	42,342	(67,336)	(59,136)
Non-current liabilities				
Bank loans	25,977	31,238	23,517	28,655
Obligations under finance leases	348	423	41	63
Deferred tax liabilities	3,920	4,012	0	0
Total non-current liabilities	30,245	35,673	23,558	28,718
Net assets	330,795	322,342	294,012	297,167
Represented by:				
Share Capital	231,257	231,257	231,257	231,257
Reserves	44,774	37,633	62,755	65,910
Attributable to equity holders of the Company	276,031	268,890	294,012	297,167
Non-controlling interests	54,764	53,452	0	0
	330,795	322,342	294,012	297,167

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30 June 2013 S\$'000	As at 31 March 2013 S\$'000
Amount repayable in one year or less, or on demand		
Unsecured:		
Long term bank loans		
- scheduled repayments within 12 months	21,680	21,331
- not repayable within 12 months but contain a repayment on demand clause	2,900	2,957
Short term bank loans	119,348	115,945
Bank overdrafts	919	908
Import and export loans	16,148	17,763
	<u>160,995</u>	<u>158,904</u>
Secured:		
Obligations under finance leases	<u>333</u>	<u>375</u>
Amount repayable after one year		
Unsecured:		
Long term bank loans	<u>25,977</u>	<u>31,238</u>
Secured:		
Obligations under finance leases	<u>348</u>	<u>423</u>

Details of any collateral

Carrying amount of fixed assets in respect of certain motor vehicles and equipment held under finance leases:

As at 30 June 2013		As at 31 March 2013	
The Group	The Company	The Group	The Company
S\$781,000	S\$98,000	S\$854,000	S\$113,000

Other comments to paragraph 1(b)(ii)

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q1 30 June 2013 S\$'000	Q1 30 June 2012 S\$'000
Operating activities		
Profit before income tax	4,544	6,691
Adjustments for:		
Allowance for doubtful debts - trade	35	173
Allowance for stock obsolescence	906	457
Depreciation and amortisation	6,165	6,451
Finance costs	1,792	2,466
Loss on disposal of available-for-sale investments	5	0
Impairment loss on property, plant and equipment	68	408
Interest income	(120)	(108)
Gain on disposal of property, plant and equipment	(468)	(2,595)
Property, plant and equipment written off	147	226
Realised loss (gain) on derivative financial instruments	7	(224)
Share of results of associates	1,646	2,573
Unrealised foreign exchange gain	(373)	(611)
Operating profit before working capital changes	<u>14,354</u>	<u>15,907</u>
Stocks	(9,750)	(7,682)
Debtors	(5,689)	7,041
Deposits and prepayments	(795)	(1,000)
Creditors and accrued charges	<u>15,640</u>	<u>(1,099)</u>
Cash generated from operations	13,760	13,167
Interest received	119	142
Interest paid	(1,733)	(2,573)
Income tax paid	<u>(1,605)</u>	<u>(2,777)</u>
Net cash generated from operating activities	<u>10,541</u>	<u>7,959</u>

	Q1 30 June 2013 S\$'000	Q1 30 June 2012 S\$'000
Investing activities		
Deposits paid for purchase of property, plant and equipment	0	(522)
Dividends received from associates	521	0
Investment in associates (additional capital injection)	(165)	0
Proceeds on disposal of available-for-sale investments	371	0
Proceeds on disposal of property, plant and equipment	28	2,992
Purchase of equity interests in a subsidiary	0	(205)
Purchase of property, plant and equipment	(4,431)	(7,306)
Net cash used in investing activities	<u>(3,676)</u>	<u>(5,041)</u>
Financing activities		
Drawdown of term loans	0	3,274
Repayment of term loans	(5,061)	(4,599)
Other short term bank loans obtained	332	1,313
Dividends paid to minority shareholders	(1,880)	0
Repayment of obligations under finance leases	(135)	(100)
Net cash used in financing activities	<u>(6,744)</u>	<u>(112)</u>
Net increase in cash and cash equivalents	121	2,806
Cash and cash equivalents at beginning of period	63,463	73,317
Effect of exchange rate changes on the balance of cash held in foreign currencies	1,582	(489)
Cash and cash equivalents at end of period	<u>65,166</u>	<u>75,634</u>
Cash and cash equivalents at end of period comprise:		
Bank balances and cash	66,085	77,580
Bank overdrafts	(919)	(1,946)
	<u>65,166</u>	<u>75,634</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share capital S\$'000	Capital reserve S\$'000	Legal reserve S\$'000	Translation reserve S\$'000	Property/ asset revaluation reserve S\$'000	Retained profits S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Sub Total S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 April 2013	231,257	(34,002)	21,407	(135,009)	3,358	180,746	1,133	0	268,890	53,452	322,342
Total comprehensive income	0	0	0	7,034	0	107	0	0	7,141	3,192	10,333
Transfer to (from) reserves	0	0	57	0	0	(57)	0	0	0	0	0
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0	0	(1,880)	(1,880)
Balance at 30 June 2013	231,257	(34,002)	21,464	(127,975)	3,358	180,796	1,133	0	276,031	54,764	330,795

Balance at 1 April 2012	231,257	(33,872)	18,435	(132,426)	3,358	202,647	1,133	614	291,146	46,927	338,073
Total comprehensive income	0	0	0	638	0	2,120	0	(614)	2,144	1,752	3,896
Transfer to (from) reserves	0	0	998	0	0	(998)	0	0	0	0	0
Effects of changes in shareholdings on non-controlling interests	0	(40)	0	0	0	0	0	0	(40)	(165)	(205)
Balance at 30 June 2012	231,257	(33,912)	19,433	(131,788)	3,358	203,769	1,133	0	293,250	48,514	341,764

The Company	Share capital S\$'000	Retained profits S\$'000	Share option reserve S\$'000	Translation reserve S\$'000	Total S\$'000
Balance at 1 April 2013	231,257	64,564	1,133	213	297,167
Total comprehensive income	0	(2,920)	0	(235)	(3,155)
Balance at 30 June 2013	231,257	61,644	1,133	(22)	294,012
Balance at 1 April 2012	231,257	69,462	1,133	171	302,023
Total comprehensive income	0	(2,583)	0	(68)	(2,651)
Balance at 30 June 2012	231,257	66,879	1,133	103	299,372

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no movements in the share capital of the Company from 31 March 2013 to 30 June 2013.

The total number of shares that may be issued on exercise of all outstanding share options granted under the Company's Executives' Share Option Scheme is as follows:

Date of Expiry	Exercise Price per each ordinary share	As at 30 June 2013	As at 30 June 2012
4 August 2012	S\$1.25	-	697,000
24 June 2013	S\$2.50	-	1,981,000
		<u>-</u>	<u>2,678,000</u>

As at 30 June 2013, the Company did not hold any of its issued shares as treasury shares (30 June 2012 : Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at	30 June 2013	31 March 2013
Total number of issued shares	109,871,168	109,871,168
Less: Treasury shares	<u>-</u>	<u>-</u>
Total number of issued shares excluding treasury shares	<u>109,871,168</u>	<u>109,871,168</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 30 June 2013, there were no sales, transfers, disposals, cancellation and/or use of treasury shares.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than the adoption of certain revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory on the Group for its financial year commenced on 1 April 2013, the Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 March 2013.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the various revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 April 2013 does not have a material financial effect on the Group and the Company.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share ("EPS")	Q1 ended 30 June 2013	Q1 ended 30 June 2012
	Cents	Cents
(a) Basic	0.10	1.93
(b) Diluted	0.10 ⁽¹⁾	1.93 ⁽²⁾

Basic EPS is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of shares represents the number of ordinary shares in issue at the beginning of the period adjusted for shares issued upon exercise of options, multiplied by a time-weighted factor. For the purpose of calculating the diluted EPS, the weighted average number of ordinary shares in issue had been adjusted to reflect the effect of all potentially dilutive ordinary shares from the exercise of all outstanding share options.

Number of shares	Q1 ended 30 June 2013	Q1 ended 30 June 2012
Weighted average number of ordinary shares used in calculating basic EPS	109,871,168	109,871,168
Adjustments for potentially dilutive ordinary shares	- (1)	- (2)
Weighted average number of ordinary shares used in calculating diluted EPS	109,871,168	109,871,168

(1) No dilutive effects as the share options have lapsed/expired

(2) No dilutive effects as the share options are out-of-money

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	The Group		The Company	
	30 June 2013 S\$	31 March 2013 S\$	30 June 2013 S\$	31 March 2013 S\$
Net asset value per ordinary share based on issued share capital at the end of the period	2.51	2.45	2.68	2.70

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Turnover for the three months ended 30 June 2013 was S\$163.9 million, a decrease of 11.6% over the corresponding period last year. Sales of rechargeable batteries and primary batteries decreased by 18.5% and 7.2% respectively over the corresponding period last year. Sales in Europe and Asia decreased by about 15% while sales in the Americas increased by 7.7% for the three months ended 30 June 2013. The recent strengthening of USD has affected sales as some customers have held back orders.

Profit before income tax for the three months ended 30 June 2013 was S\$4.5 million as compared to S\$6.7 million over the corresponding period last year. Gross profit margins were 23.5% as compared to 21.9% over the corresponding period last year due to lower material costs and reduced factory overhead.

Distribution expenses for the three months ended 30 June 2013 were S\$10.9 million, a decrease of about 12% over the corresponding period last year due to lower sales.

Finance costs for the three months ended 30 June 2013 were S\$1.8 million as compared to S\$2.5 million over the corresponding period last year. This was mainly attributable to reduced borrowings from about S\$212 million at 30 June 2012 to S\$187 million at 30 June 2013 due to positive cashflow generated by the Group, as well as lower costs of borrowing.

Net other operating income for the three months ended 30 June 2013 was S\$0.7 million as compared to S\$4 million over the same period last year. Last year, there was a gain of S\$2.6 million arising from the disposal of a staff quarters in Shanghai following the relocation of Shanghai Bi Ba plant.

Share of loss of associates for the three months ended 30 June 2013 was S\$1.6 million as compared to S\$2.6 million over the same period last year mainly due to improved operating results of the STL Group with reduced losses.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

These results are in line with the statement made by the Company in the announcement of results for the financial year ended 31 March 2013 released on 27 May 2013.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In the absence of major signs of economic recovery, business outlook remains uncertain particularly for the European market. Costs pressure has eased slightly due to depressed material prices and the absence of RMB appreciation pressure. The Group will focus on rationalizing its product range, speeding up the introduction of new products and optimizing sales channel. These initiatives will assist the Group to improve its sales revenue.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declare/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for IPT.

14. Confirmation by the Board Pursuant to Rule 705(5)

We, Andrew Ng Sung On and Richard Ku Yuk Hing, being two directors of GP Batteries International Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for first quarter ended 30 June 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Andrew Ng Sung On
Chairman and Chief Executive

Richard Ku Yuk Hing
Vice Chairman

12 August 2013